

**Global Notes to the Monthly Operating Reports
of Winc, Inc., et al.**

Basis of Presentation

This monthly operating report (this “**MOR**”) has been prepared for Winc, Inc. and its affiliated debtors (each, a “**Debtor**” and collectively, the “**Debtors**”). The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”).

Supporting Documentation

The following schedules are submitted in support of the MOR: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Bank Accounts; and (v) Schedule of Asset Sales.

On January 18, 2022, the United States Bankruptcy Court for the District of Delaware entered an order [Docket No. 203] approving the sale (the “**Sale**”) of substantially all of the assets of Winc, Inc., BWSC, LLC, and Winc Lost Poet, LLC for the aggregate amount of \$11 million in cash consideration, plus assumption of certain liabilities. The purchase price will be allocated among the Debtors pursuant to an allocation schedule to be finalized within 90 days of the closing of the Sale, as set forth in section 4.2 of that certain Second Amended and Restated Asset Purchase Agreement by and between Project Crush Acquisition Corp LLC, Winc, Inc., Winc Lost Poet, LLC, and BWSC, LLC dated January 17, 2023.

Part 1: Cash Receipts and Disbursements

Cash receipts reflect the proceeds from the sale of wine, intercompany transfers, and draws related to the Debtors’ postpetition financing facility [Docket No. 134] (the “**DIP Facility**”).

Disbursements comprise operational expenditures, intercompany transfers, payments to satisfy professional fees, and employee payroll and excise tax payments, as applicable.

Part 2: Asset and Liability Status

The Debtors’ balance sheets are prepared on an accrual basis consistent with Generally Accepted Accounting Principles (“**GAAP**”).

The assets and liabilities listed in Part 2 are presented on a book basis.

The prepetition unsecured debt reflected in Part 2(m) of the MOR reflects estimated prepetition obligations due to third parties, excluding intercompany payables.

Prepetition obligations and liabilities subject to compromise are estimated as of January 31, 2023.

Part 4: Income Statement (Statement of Operations)

The Debtors’ income statements are prepared on an accrual basis consistent with GAAP.

Part 5: Professional Fees & Expenses

In accordance with the budget approved in the chapter 11 cases (*see* Docket No. 134), the Debtors have paid approximately \$2.7 million to an escrow account for the benefit of professionals, which amount is to be disbursed to professionals in accordance with the interim compensation procedures approved in the chapter 11 cases (*see* Docket No. 126).

Part 7: Questionnaire

In response to Part 7(g), the Debtors obtained approval to borrow up to \$5 million under the DIP Facility. *See* Docket Nos. 44, 82, & 134. As of January 31, 2023, approximately \$3.5 million was outstanding under the DIP Facility.